

## LAND EXCHANGE FEASIBILITY ANALYSIS

### Sutey Ranch Land Exchange, COC-74812

#### BACKGROUND

In 2008, representatives of the owners of Two Shoes Ranch, Leslie and Abigail Wexner (Proponents), informally contacted Bureau of Land Management (BLM) staff at the Colorado River Valley Field Office about a potential land exchange to acquire Federal land that lies in the middle of their ranch. During the next two years, the Wexners sought congressional approval for a legislated exchange of Federal and non-Federal lands in Pitkin, Garfield, and Eagle counties. Although the proposed exchange received support from several local governments, community groups, and conservation organizations, a majority of the Pitkin County Commissioners objected to any net loss of Federal lands in that county, and the proposal was dropped. The Wexners now propose exchanging two parcels of non-Federal lands containing 668 acres for six parcels of Federal land containing 1,470 acres. The current proposal will be processed in accordance with the land exchange regulations at 43 CFR 2200. The exchange described in this feasibility analysis includes as an exchange participant, Lady Belle Partnership, LLLP (Lady Belle), which seeks to acquire three Federal parcels that lie adjacent to its ranch in Eagle County. Western Land Group, Inc., is acting as the third-party facilitator for the non-Federal entities involved in this exchange.

#### 1.0 EXCHANGE PROPOSAL

Proponents are offering to exchange two non-Federal parcels comprising 668 acres for six Federal parcels totaling 1,470 acres. The larger of the non-Federal parcels is the 557-acre Sutey Ranch that lies adjacent to BLM's Red Hill Special Recreation Management Area (SRMA) in Garfield County. In the exchange proposed, BLM also would acquire irrigation and water storage rights appurtenant to Sutey Ranch. The second non-Federal parcel is 112 acres in Pitkin County located in an area called The Crown. The offered non-Federal lands are described in Exhibit A.

The selected Federal lands include three parcels containing 1,269 acres in Pitkin County and three parcels containing 201 acres in Eagle County. The Federal lands are described in Exhibit B. Mineral estates of the Federal and non-Federal lands will be exchanged to the extent possible, subject to the findings and recommendations in the mineral report.

#### 2.0 LAND USE PLANNING AND RESOURCE VALUES

##### Land Use Planning

The proposed land exchange would be consistent with the land tenure adjustment planning goals set forth in the Glenwood Springs Resource Management Plan (RMP) Record of Decision issued by BLM in January 1984, as revised in 1988. In the 1988 RMP, two land tenure zones were identified: retention and disposal. The retention zone designated public lands to be retained and managed under multiple use principles. An exception listed in Appendix D - Consideration Used

in Determining Land Tenure Adjustments, however, allows the disposal of Federal land in a retention zone through land exchanges where the public value of the land that is acquired meets or exceeds the public value of the land that is disposed of (p. 55). Public lands in disposal zones that were designated in the RMP as suitable for conveyance out of Federal ownership under existing laws and regulations include isolated and small land parcels, lands that are difficult to manage such as having no access, and lands identified by public proposals (p. 56).

In the Fall of 2009, BLM moved its office from Glenwood Springs to Silt and changed its name to Colorado River Valley Field Office. Revision and update of the area's 20-year-old planning documents is in progress with the draft RMP and environmental impact statement (EIS) released in September 2011 for public review and comments. The proposed land exchange would be consistent with these documents as currently drafted. Land exchanges remain an important tool to consolidate land ownership for more efficient management and to achieve important objectives of resource management.

## 2.1 Federal Lands

### 2.1.1. Pitkin County

Parcel A comprises 1,240 acres that vertically divide Proponents' Two Shoes Ranch which lies between State Highway 133 on the west and Prince Creek Road on the east. The parcel is surrounded by private property except along its southern boundary with the White River National Forest. The only legal public access to the parcel is from the National Forest where the topography is very steep with no designated roads or trails in the vicinity.

Parcel A is dominated by three plant associations: gambel oak shrublands, pinyon-juniper forests, and sagebrush shrublands. Harrington penstemon, a BLM Colorado sensitive plant species, is found on rocky knolls and in areas where the density of gambel oak have been reduced by controlled burns. The canyon surrounding Potato Bill Creek provides critical year-round habitat for the Mount Sopris bighorn sheep herd.

Riparian areas include Thomas Creek flowing through the middle of the parcel, and Potato Bill Creek which flows through the steep and rugged terrain at the southern end of the parcel. Water flow in both of these streams is depleted by upstream diversions after spring run-off. The RMP Record of Decision identifies Thomas Creek for further monitoring of water quality and riparian condition (Table 3, p. 16; Map 5).

Potato Bill Creek splits Parcel A into two grazing allotments, Thomas (8346) and Potato Bill (8347) (p. 26; Map 7). BLM's permittee on the Thomas allotment also holds a grazing lease from Two Shoes Ranch.

Parcels B and B-1 are isolated Federal lands comprised of 28 acres and one acre respectively. Two Shoes Ranch borders Parcel B on its north and west sides while Parcel B-1 is completely surrounded by the ranch. Neither parcel is legally accessible by road although the southern and eastern boundaries of Parcel B adjoin the National Forest. The area around both parcels is predominately forested with aspen and lodgepole pine. Thomas Creek and Prince Creek flow

through Parcel B. An unnamed tributary of Prince Creek bisects Parcel B-1. Wetlands, and possibly floodplains, are associated with these drainages.

Parcels A, B, and B-1 do not contain suitable habitat for any federally listed plant or animal species. They are not identified as having wilderness characteristics or as being an Area of Critical Environmental Concern (ACEC). The 1988 Glenwood Springs RMP shows Parcel A in a retention zone. Parcel A cannot be effectively managed by BLM because it lies in the midst of a working ranch and has no legal public access. Disposal of Parcel A in the proposed exchange is consistent with the exceptions outlined in Appendix D of the RMP since it is expected that the public values of the non-Federal lands to be acquired meet or exceed the public value of the lands that are being disposed of. Both Parcels B and B-1 are shown on the Land Tenure Adjustments Map (Map 14) as disposal parcels (Nos. 81 and 82 respectively). Both parcels are isolated, difficult to manage, and have limited resource values because of configuration and location. BLM has determined that disposal of these three parcels by exchange meets the disposal criteria set forth in the existing planning documents.

*Additional considerations* – About a quarter of the Two Shoes Ranch is currently included in a number of perpetual conservation easements that were granted jointly to the Aspen Valley Land Trust and Pitkin County to protect public conservation values found on the ranch including traditional agricultural uses, intact wildlife habitat, and scenic views of Mount Sopris. Upon completion of the proposed exchange, Proponents have indicated that Parcels A and B also will be included in perpetual conservation easements that will be granted to Aspen Valley Land Trust. In order to protect the parcels' conservation values, the conservation easements will prohibit development of the lands and limit permitted uses to historic grazing practices.

#### 2.1.2. Eagle County

Located on the western side of Horse Mountain about six miles southeast of Eagle, the 171-acre Parcel C is the largest of the Eagle County parcels. Horse Mountain was mined for silver in the early 1900s until the limited pocket of high value ore played out. Although a four-wheel drive road originates at the base of the mountain on private land along Bruce Creek Road and crosses back and forth between Parcel C and adjacent patented mining claims, the parcel has no legal access.

Parcel D comprises 17 acres on the southwest toe of Horse Mountain. It is separated from Parcel C by a group of patented mining claims. Bruce Creek Road provides legal public access to this parcel, but public use appears to be limited due to its small size.

Parcels C and D rise steeply toward the summit of Horse Mountain and are completely surrounded by private lands. The parcels include a handful of mine adits from the early mining activity. These adits have been closed off with bat-friendly gates, and the openings now provide habitat for bats. The predominant vegetation communities on Parcels C and D are pinyon/juniper forest and gambel oak shrublands. Although Parcel C contains a small population of Harrington penstemon, neither of the parcels contains suitable habitat for any federally listed plant or animal species. Small areas of wetlands may be found where Salt Creek crosses the northern tip of Parcel C and along Bruce Creek in the southwest corner of Parcel D.

Located about a quarter mile south of Parcel D along the township boundary, Parcel E is a 12-acre, narrow 3/4-mile vertical sliver of Federal land. Lady Belle Ranch lies on its east and north sides with State Land Board property on its west, and the White River National Forest adjacent to its 150-foot long southern boundary. There is no legal public access to the parcel. The parcel is predominantly oak brush. It contains no floodplains or wetlands and does not contain suitable habitat for any federally listed plant or animal species.

None of these three parcels is identified as having wilderness characteristics or as being an Area of Critical Environmental Concern (ACEC). The three parcels are included in the Horse Mountain Allotment (8719) (p. 26; Map 7) with the grazing permit held by Foot Creek Corporation of Arizona which owns land adjacent to and east of Parcel C and Lady Belle Ranch. The 1988 Glenwood Springs RMP shows all three parcels on the Land Tenure Adjustments Map (Map 14) as disposal parcels (Nos. 117 and 118). The parcels are isolated and have limited resource values because of configuration and location. BLM has determined that disposal of these three parcels by exchange meets the disposal criteria set forth in the existing planning documents.

*Additional considerations* – Lady Belle Partnership, LLLP, has indicated that upon completion of the proposed land exchange, it will grant a perpetual conservation easement to the Eagle Valley Land Trust that will prohibit any development on the parcels as well as any removal or alteration of the bat gates that have been installed.

## 2.2 Non-Federal Lands

### 2.2.1 Garfield County (Sutey Ranch)

Parcel 1 is a 557-acre ranch named for the Sutey family who lived, ranched, and farmed the parcel from 1930 to 2005. It lies adjacent to BLM's Red Hill Special Recreation Management Area (SRMA) about two miles north of Carbondale. There is access to the parcel from Highway 82 via Cattle Creek Road (CR 113) and Crystal Springs Mountain Road (CR 112) which crosses the northeast corner of the parcel.

Sutey Ranch has been a land conservation priority in the Roaring Fork Valley since 2002. It has significant critical big game winter habitat in an area where large blocks of undeveloped habitat are rapidly disappearing due to development pressures in the valley. The ranch was for sale as a development parcel until it was purchased by the Proponents.

Historically, approximately 92 acres of the ranch were irrigated to grow potatoes, hay, and other crops. Proponents currently are irrigating the property to grow hay, provide forage for wildlife, and fill ponds that provide water for wildlife. Approximately 2.25 cfs ditch water rights and 50 acre-feet of water storage rights associated with Sutey Ranch will be acquired by BLM as part of the exchange. Non-irrigated portions of the ranch are primarily sagebrush and pinyon/juniper woodlands.

In addition to its natural resource values, Sutey Ranch has high dispersed recreation values due to its proximity to the popular non-motorized trail network in the Red Hill SRMA. BLM manages the SRMA in partnership with the local Red Hill Council. The Red Hill SRMA

receives over 55,000 visitors per year.

### 2.2.2 Pitkin County (West Crown)

Parcel 2 is 112 acres located five miles southeast of Carbondale on the west side of an area known as The Crown. The West Crown parcel is bordered by Federal lands to the east with private land to the north. Prince Creek Road (CR 111) and Two Shoes Ranch lie to the south and west. Vegetation on this parcel is primarily sagebrush and pinyon-juniper. Many miles of user-created trails exist on the parcel and lead into The Crown's trail network. Federal acquisition of the parcel will protect these trail connections to public lands and provide opportunities to develop a public trailhead off Prince Creek Road.

Although the 1988 Glenwood Springs RMP does not directly address land acquisitions, the two non-Federal parcels proposed for acquisition are within retention zones on the Land Tenure Adjustments Map (Map 14). Both Sutey Ranch and the West Crown parcel would increase manageability of adjacent public lands. Both parcels meet several of the considerations for determining land tenure adjustments that are outlined in Appendix D, including consolidating public lands, providing better access to other public lands, and having valuable resources for BLM programs.

## 3.0 PUBLIC BENEFITS

### 3.1 Proposed Disposal

Consistent with the stated objective in the RMP for disposal of small, isolated, and/or difficult-to-manage public lands, six Federal parcels have been selected for exchange and would be conveyed to adjacent landowners. Four of the parcels are less than 30 acres in size, oddly shaped, and generally too small for significant public recreation. All the Federal parcels lack legal public access or are difficult to access. Proponents and Lady Belle Partnership, LLLP, have stated that simultaneous with closing of the land exchange, they will grant perpetual conservation easements on five of the parcels that will prohibit development in order to protect the parcels' wildlife habitat, natural plant communities, scenery, and open space character. The one-acre Parcel B-1 lies beyond the proposed expanded conservation easement on Two Shoes Ranch.

### 3.2 Proposed Acquisitions

Acquisition of the Sutey Ranch parcel will provide a unique opportunity to enhance wildlife habitat and wildlife-compatible recreation by preserving and managing historic ranchlands specifically for the benefit of wildlife. Mid-elevation mule deer winter range, elk production area, elk severe winter range, and elk winter range, which are all limited in the lower Roaring Fork Valley due to the subdivision and development of large private tracts, will be protected. In addition, landscape connectivity for wildlife between the Red Hill area and nearby BLM lands in the Cattle Creek/Fisher Creek area will be improved.

Sutey Ranch's senior water rights, along with its associated water distribution infrastructure, will provide BLM with options to enhance water-dependent natural resource values and riparian habitat along Cattle Creek, which historically have been impacted by upstream diversions. Finally, the existing recreational setting in the northern portion of the Red Hill SRMA will be maintained and possibly expanded by having the ability to manage public access and prevent potential development of homes along the SRMA's northeast boundary.

Acquisition of the West Crown parcel will provide several benefits to the public and BLM. The parcel will create legal recreational access for mountain bikers and pedestrians to The Crown's trail system from Prince Creek Road, eliminating trespass on private lands that currently receive heavy, but unauthorized, public use. Trail users accessing The Crown now park their vehicles on Prince Creek Road near the entrance to the Prince Creek Subdivision, causing traffic and safety problems, and the parcel can provide a much needed site for a safe public trailhead to The Crown's trail system. Acquisition of the West Crown parcel also will preserve the scenic vistas and views of Mount Sopris as well as protect the open space values east of Prince Creek Road by precluding residential development of the parcel.

*3.3 Additional considerations* – The non-Federal lands offered in this exchange are likely to require additional resources to effectively manage the habitat and recreational values associated with Sutey Ranch and the West Crown parcel, particularly management of the water rights associated with the Sutey Ranch. Proponents propose to donate \$1.1 million to BLM at closing to complete management plans for the lands acquired as well as to fund ongoing management costs associated with wildlife and resource protection and public recreational use of these properties. The donation will be made pursuant to Sec. 307 of the Federal Lands Policy and Management Act and will not be considered in the land exchange valuation.

#### 4.0 VALUES

Appraisals of all properties proposed for exchange will be completed according to Federal standards and will be subject to final review and approval by the Department of the Interior's Office of Valuation Services. When determining the value of the Federal parcels, no consideration will be given to the proposed conservation easements that will be granted to third parties upon completion of the exchange.

The value of the non-Federal parcels in this proposal is expected to exceed the value of the Federal lands. Pursuant to 43 U.S.C. 2201.6(c), the parties to an exchange may agree to waive a cash equalization payment if the amount to be waived does not exceed 3 percent of the value of the lands being exchanged out of Federal ownership or \$15,000. This waiver shall not be applied where the value differential exceeds \$15,000. Proponents have stated that they will waive any and all cash equalization payment from the United States and donate any excess land value to the United States.

Congressional notification of the exchange proposal will be required as values are expected to exceed \$500,000.

## 5.0 TITLE CONSIDERATIONS

### 5.1 Federal Lands

The Federal lands selected for exchange have been surveyed. However, description of Parcel C will require preparation of a supplemental title plat before a patent to this parcel can be issued. The Federal patents will be issued subject to the reservation to the United States of a right-of-way for ditches and canals pursuant to the Act of August 30, 1890. Valid, existing authorized uses on the Federal lands are listed in Exhibit B. An application for a right-of-way is currently pending on Parcel C. Patents will be issued subject to valid existing rights or an agreement will be reached with holders of these authorizations as to the appropriate disposition of the authorization. Proponents and Lady Belle Partnership, LLLP, have indicated that they will grant replacement easements as necessary at closing in order to maintain the owners' rights in these rights-of-way. BLM intends to convey the entire mineral estate, subject to the mineral report. There are no valid mining claims on the Federal parcels. It is not anticipated that there will be a need to reserve public access across any of the Federal parcels.

### 5.2 Non-Federal Lands

Title commitments and copies of all exception documents for the Sutey Ranch and West Crown parcels have been provided to BLM. An examination of the parcels did not reveal any third party interests on the non-Federal lands that would preclude title transfer or interfere with BLM's proposed future management of the lands. The title commitment for Sutey Ranch indicates that Proponents own the property in fee. The United States reserved all minerals in the patent issued for the land that includes the West Crown parcel. Proponents will convey the Sutey Ranch and West Crown properties to the United States by warranty deed. The ditch and storage water rights associated with Sutey Ranch will be transferred through Certificates issued by The Park Ditch and Reservoir Company.

## 6.0 POSSIBLE PROBLEMS OR CONFLICTS

Proponents contacted the private landowners who abut the Federal lands in Pitkin County to resolve any issues they might have with the proposed exchange. The adjacent landowners are unlikely to oppose the proposed exchange. Among local government and community organizations that expressed support for the previous exchange proposal are Eagle County Commissioners, Garfield County Commissioners, Carbondale Town Council, Aspen Valley Land Trust, Eagle Valley Land Trust, Red Hill Council, Sierra Club, Wilderness Society, Crystal River Caucus, Colorado Environmental Coalition, Roaring Fork Audubon Society, and Prince Creek homeowners. The Colorado Division of Wildlife also supported the previous proposal.

The majority of the County Commissioners for Pitkin County did not support the previous legislative exchange proposal involving the Federal lands. Pitkin County's concerns were centered on a desire to see any exchange occur administratively, to have an appraisal performed on the full economic benefit of the Federal lands to Proponents, and for there to be no net loss of Federal acres in Pitkin County. Since the initial legislative exchange proposal, Proponents have added the West Crown property in Pitkin County and an additional 37 acres at Sutey Ranch.

Proponents believe the exchange will continue to receive broad public support, with the possible exception of a split Board of County Commissioners in Pitkin County.

## 7.0 PROCESSING COSTS AND FUNDING

Proponents will pay the majority of exchange processing costs, including but not limited to, appraisals, analyses, clearances and approvals as indicated in the schedule shown below. Initial cost estimates indicate that total processing costs will be approximately \$150,400. Proponents will fund a collection agreement to cover costs for work completed by BLM specialists for minerals and hazardous materials as well as BLM's review and approval of inventories and reports completed by Proponents. Proponents will contract with entities acceptable to BLM for cultural resources, threatened and endangered species, and environmental analysis. Proponents also have agreed to pay for appraisal reports on the Federal and non-Federal lands, publication of notices of exchange proposal and availability of decision, title insurance for the non-Federal lands on the required ALTA U.S. Policy Form - 9/28/91, and closing costs for the exchange.

BLM's share of costs of processing the exchange that are not covered by the collection agreement will be provided by the benefiting wildlife and recreation subactivities, 1110 and 1220. Processing is expected to proceed without significant delays. BLM, Proponents, and WLG anticipate completing the exchange by November 2012.

The Federal lands proposed for this exchange have been segregated for five years. A Notice of Exchange Proposal will be published upon approval of the feasibility analysis, draft Agreement to Initiate, and draft Notice of Exchange Proposal by the Washington Office.

## 8.0 SCHEDULE

Step	Completion Date	Responsible Party	Estimated Costs	
			BLM	Proponents
Preliminary Title Evidence	September 2011	WLG/Proponents		\$100
Feasibility Report/Draft ATI	December 2011	BLM/WLG	\$8,000	\$4,000
Preliminary Title Opinion	December 2011	BLM/Solicitor	\$750	
Cultural Resources Inventory	December 2011	BLM/WLG	\$1,000	\$18,000
Biological/T&E Assessment	December 2011	BLM/WLG	\$6,000	\$28,000
WO Feasibility Review	December 2011	BLM/WO	\$1,000	
Agreement to Initiate	January 2012	BLM/Proponents/WLG	\$500	\$500
Notice of Exchange Proposal	January 2012	BLM/WLG	\$750	\$750
Native American Consultation	January 2012	BLM	\$1,000	
Mineral Report	January 2012	BLM	\$2,000	
CERCLA Report	January 2012	BLM	\$3,000	
Supplemental Title Plat	January 2012	BLM/WLG		\$1,800
Hazardous Materials Survey	May 2012	BLM	\$2,000	
Appraisal	July 2012	BLM/OVS		\$40,000
Environmental Assessment	July 2012	BLM/WLG	\$10,000	\$10,000
Decision Package	August 2012	BLM/Solicitor	\$3,000	
WO Approval to Proceed	October 2012	BLM	\$1,000	
Notice of Decision	October 2012	BLM/WLG	\$750	\$750
Title Insurance Policy	November 2012	Proponents		\$4,000
Patent Preparation	November 2012	BLM	\$500	



<u>Step</u>	<u>Completion Date</u>	<u>Responsible Party</u>	<u>Estimated Costs</u>	
			<u>BLM</u>	<u>Proponents</u>
Closing	December 2012	BLM/Proponents	\$250	\$250
Final Title Opinion	December 2012	BLM/Solicitor	\$750	
Total Estimated Costs			\$42,250	\$108,150

## 9.0 RECOMMENDATION

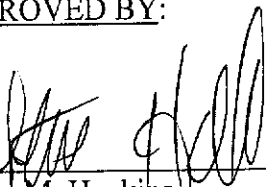
The proposed Sutey Ranch Land Exchange is consistent with the 1988 Glenwood Springs Resource Management Plan and appears to be in the public interest. Most of the funding for processing the exchange will be provided by Proponents. Disposal of the selected Federal lands in Pitkin and Eagle Counties and acquisition of the offered non-Federal lands in Garfield and Pitkin Counties will improve the management efficiency of public land resources, provide greater public access to recreational lands, and result in protection of important wildlife habitat. It is our recommendation to proceed.

### RECOMMENDED BY:



Steve G. Bennett  
Field Manager  
Colorado River Valley Field Office

### APPROVED BY:



Helen M. Hankins  
Colorado State Director  
Bureau of Land Management

/s/ Steven Hall

Acting

**EXHIBIT A**  
**OFFERED NON-FEDERAL LANDS**

Parcel 1 (Sutey Ranch)

A parcel of land comprising all of Lots 1, 2, 6, 7, 8, 9, 10, 11, 12, 14, 15 & 16, Section 15; and Lot 8, Section 16; all in Township 7 South, Range 88 West of the 6th P.M.

TOGETHER WITH a parcel of land situate in the W1/2 of Lot 1, Section 14, Township 7 South, Range 88 West of the 6th Principal Meridian, County of Garfield, State of Colorado being more particularly described as follows:

Beginning at a point on the West line of Lot 1 also being on the Southerly Right-of-Way line of County Road 112 from which the Northwest corner of Lot 1 also being the Northwest corner of said Section 14 bears N00°02'06"E a distance of 388.93 feet;  
thence along the Westerly & Southerly Right-of-Way line of said County Road No. 112 the following five (5) courses:

- 1) S48°18'46"E a distance of 114.75 feet;
- 2) thence 247.98 feet along the arc of a 530.00 feet radius curve to the left, having a central angle of 26°48'28" and subtending a chord bearing S61°43'00"E a distance of 245.72 feet;
- 3) thence S75°07'14"E a distance of 181.17 feet;
- 4) thence 127.24 feet along the arc of a 212.00 feet radius curve to the right, having a central angle of 34°23'20" and subtending a chord bearing S57°55'34"E a distance of 125.34 feet;
- 5) thence S40°43'54"E a distance of 17.31 feet to a point approximately 30 feet south of the centerline of an existing ranch road, to the west from said county road;

thence leaving the Right-of-Way, of County Road No. 112, and being 30 feet southerly of the centerline of said ranch road to the west along the following six (6) courses:

- 1) 74.19 feet along a non-tangent arc of a 291.29 feet radius curve to the right, having a central angle of 14°35'35" and subtending a chord bearing S77°20'22"W a distance of 73.99 feet;
- 2) thence S84°38'09"W a distance of 77.64 feet;
- 3) thence 105.40 feet along the arc of a 554.28 feet radius curve to the right, having a central angle of 10°53'44" and subtending a chord bearing N89°54'59"W a distance of 105.24 feet;
- 4) thence N84°28'07"W a distance of 32.05 feet;
- 5) thence 217.37 feet along the arc of a 288.70 feet radius curve to the left, having a central angle of 43°08'26" and subtending a chord bearing S73°57'39"W a distance of 212.27 feet;
- 6) thence S52°23'26"W a distance of 131.70 feet to a point on the West line of said Lot 1 from which the West ¼ Corner of said Section 14 bears S00°02'06"W a distance of 1,764.54 feet;

thence N00°02'06"E along the West line of said Lot 1 a distance of 478.21 feet to the point of beginning.

TOGETHER WITH a parcel of land situate in the W1/2 of Lot 1 and Lot 2 in Section 14, Township 7 South, Range 88 West of the 6th Principal Meridian, County of Garfield, State of Colorado being more particularly described as follows:

Beginning at the West 1/4 Corner of said Section 14; thence N00°02'06"E a distance of 1764.54 feet along the West line of said Section 14 to a point 30.89 feet South of the centerline of a ranch road as built and in place;  
thence along a line 30 feet South of the centerline, of said ranch road the following six (6) courses:

- 1) N52°23'26"E a distance of 131.70 feet;
- 2) thence 217.37 feet along the arc of a 288.70 feet radius curve to the right, having a central angle of 43°08'26" and subtending a chord bearing N73°57'39"E a distance of 212.27 feet;
- 3) thence S84°28'07"E a distance of 32.05 feet;
- 4) thence 105.40 feet along the arc of a 554.28 feet radius curve to the left, having a central angle of 10°53'44" and subtending a chord bearing N89°54'59"W a distance of 105.24 feet;
- 5) thence N84°38'09"E a distance of 77.64 feet;
- 6) thence 74.19 feet along the arc of a 291.29 feet radius curve to the left, having a central angle of 14°35'35" and subtending a chord bearing N77°20'22"E a distance of 73.99 feet to a point on the West right-of-way line of County Road No. 112;

thence along the West right-of-way line of County Road No. 112 the following three (3) courses:

- 1) S40°43'54"E a distance of 118.89 feet;
- 2) thence 145.47 feet along the arc of a 530.00 feet radius curve to the left, having a central angle of 15°43'32" and subtending a chord bearing S48°35'40"E a distance of 145.01 feet;
- 3) thence S56°27'26"E a distance of 94.76 feet;

thence S00°01'00"W a distance of 1690.53 feet along the West lines of tracts of land described in Book 818 at Page 260, in Book 742 at Page 389 and in Book 1692 at Page 344, all of the records of the Clerk and Recorder of Garfield County, Colorado;

thence N89°39'40"W a distance of 860.89 feet along the North lines of tracts of land described in Book 1200 at Page 357 and in Book 1200 at Page 349 to the point of beginning.

All in the County of Garfield, State of Colorado.

Together with the appurtenant water rights described as twelve (12) shares of the capital stock of The Park Ditch and Reservoir Company, Certificate No. 051, and one and one-third (1-1/3) shares of the capital stock of The Park Ditch and Reservoir Company, Certificate No. 055.

Subject to:

1. Easement for power line granted to Public Service Company of Colorado recorded in Book 337 Page 7.
2. Easement for power line granted to Public Service Company of Colorado recorded in Book 559 Page 448.
3. Easement for power line granted to Public Service Company of Colorado recorded December 18, 1984 in Book 661 at Page 459.

4. Easement and right of way for power line granted to Holy Cross Electric Association, Inc. as recorded November 14, 1979 in Book 539 at Page 520.
5. County Road No. 112 in the N½ of Lot 1, Sec. 15, T. 7 S., R. 88 W.

Parcel 2 (West Crown)

A parcel of land situated in the East one-half of the Northeast one-quarter, the East one-half of the West one-half of the Northeast one-quarter and the Northeast one-quarter of the Southeast one-quarter of Section 24, Township 8 South, Range 88 West of the Sixth Principal Meridian, County of Pitkin, State of Colorado being described as follows:

Beginning at the Northeast corner of Section 24; thence S00°25'48" E along the East line of the Northeast one-quarter, a distance of 2612.11 feet to the East one-quarter corner;  
Thence S00°24'35"E along the East line of the Northeast one-quarter of the Southeast one-quarter, a distance of 852.93 feet to the West one-quarter of Section 19;  
Thence S00°26'10"E continuing along the East line of the Northeast one-quarter of the Southeast one-quarter, a distance of 453.16 feet to the Southeast corner of the Northeast one-quarter of the Southeast one-quarter;  
Thence N89°58'32"W along the South line of the Northeast one-quarter of the Southeast one-quarter, a distance of 83.84 feet to the centerline of Prince Creek Road as constructed;  
Thence Northwesterly along said centerline the following thirty (30) courses:  
1) N45°19'04"W, a distance of 5.95 feet to a point of curve;  
2) Along the arc of a curve to the right having a delta of 46°34'40", a radius of 125.00 feet and a length of 101.62 feet to a point of tangent;  
3) N01°15'36"E, a distance of 100.54 feet to a point of curve;  
4) Along the arc of a curve to the left having a delta of 28°01'47", a radius of 225.00 feet and a length of 110.07 feet to a point of tangent;  
5) N26°46'11"W, a distance of 228.31 feet to a point of curve;  
6) Along the arc of a curve to the left having a delta of 15°41'26", a radius of 325.00 feet and a length of 89.00 feet to a point of tangent;  
7) N42°27'38"W, a distance of 241.41 feet;  
8) N46°42'43"W, a distance of 167.75 feet;  
9) N49°10'43"W, a distance of 147.98 feet to a point of curve;  
10) Along the arc of a curve to the right having a delta of 20°22'48", a radius of 150.00 feet and a length of 53.36 feet to a point of tangent;  
11) N28°47'55"W, a distance of 436.81 feet to a point of curve;  
12) Along the arc of a curve to the left having a delta of 11°01'51", a radius of 525.00 feet and a length of 101.07 feet to a point of tangent;  
13) N39°49'45"W, a distance of 491.63 feet to a point of curve;  
14) Along the arc of a curve to the right having an delta of 06°54'57", a radius of 2750.00 feet and a length of 331.94 feet to a point of tangent;  
15) N32°54'48"W, a distance of 10.34 feet to a point of curve;  
16) Along the arc of a curve to the right having a delta of 11°06'21", a radius of 550.00 feet and a length of 106.61 feet to a point of tangent;  
17) N21°48'27"W, a distance of 85.50 feet to a point of curve;  
18) Along the arc of a curve to the left having a delta of 22°13'20", a radius of 200.00 feet

and a length of 77.57 feet to a point of tangent;

- 19) N44°01'47"W, a distance of 41.86 feet to a point of curve;
- 20) Along the arc of a curve to the right having a delta of 23°16'41", a radius of 400.00 feet and a length of 162.51 feet to a point of curve;
- 21) N20°45'06"W, a distance of 54.91 feet to a point of curve;
- 22) Along the arc of a curve to the right having a delta of 06°58'38", a radius of 800.00 feet and a length of 97.42 feet to a point of tangent;
- 23) N13°46'28"W, a distance of 25.00 feet to a point of curve;
- 24) Along the arc of a curve to the left having a delta of 29°04'52", a radius of 200.00 feet and a length of 101.51 feet to a point of tangent;
- 25) N42°51'20"W, a distance of 59.64 feet to a point of curve;
- 26) Along the arc of a curve to the right having a delta of 09°53'30", a radius of 500.00 feet and a length of 86.32 feet to a point of tangent;
- 27) N32°57'50"W, a distance of 3.75 feet to a point of curve;
- 28) Along the arc of a curve to the right having a delta of 20°33'10", a radius of 300.00 feet and a length of 107.61 feet to a point of tangent;
- 29) N12°24'41"W, a distance of 77.00 feet to a point of curve;
- 30) Along the arc of a curve to the left having a delta of 04°30'29", a radius of 400.00 feet and a length of 31.47 feet to a point on the West line of the East one-half of the West one-half of the Northeast one-quarter;

Thence N00°11'22"W along the West line of the East one-half of the West one-half of the Northeast one-quarter, a distance of 812.37 feet to the Northwest corner of the East one-half of the West one-half of the Northeast one-quarter;

Thence S89°50'02"E along the north line of the Northeast one-quarter, a distance of 663.39 feet to the Northeast corner of the East one-half of the West one-half of the Northeast one-quarter;

Thence S89°50'02"E continuing along the North line of the Northeast one-quarter, a distance of 1326.84 feet to the Point of Beginning,

containing 111.78 acres.

Subject to:

1. Terms, conditions and provisions of an agreement recorded April 14, 1961, in Book 193 at Page 468.
2. Terms, conditions and provisions of Resolution No. 84-21 recorded October 16, 1984, in Book 475 at Page 175.
3. Terms, conditions, provisions, obligations, easements and rights of way as contained in easement and road maintenance agreement recorded October 29, 1987, in Book 549 at Page 470.

**EXHIBIT B**  
**SELECTED FEDERAL LANDS**

Parcel A

T. 8 S., R. 88 W., Sixth Principal Meridian,  
sec. 23, N $\frac{1}{2}$ NE $\frac{1}{4}$  and SE $\frac{1}{4}$ NE $\frac{1}{4}$ ;  
sec. 24, W $\frac{1}{2}$ ;  
sec. 25, NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , and SW $\frac{1}{4}$ SW $\frac{1}{4}$ ;  
sec. 26, S $\frac{1}{2}$ S $\frac{1}{2}$ ;  
sec. 35, W $\frac{1}{2}$ , and  
sec. 36, NW $\frac{1}{4}$ NW $\frac{1}{4}$ ,  
containing 1,240 acres.

Subject to:

1. Grazing Permit No. 0507711, Thomas Allotment (8346)
2. Grazing Permit No. 0507655, Potato Bill Allotment (8347)

Parcel B

T. 8 S., R. 87 W., Sixth Principal Meridian,  
sec. 31, Tract 86, lots 10, 11, and 12, and  
sec. 31, lots 9 and 13,  
containing 28.37 acres.

Parcel B-1

T. 8 S., R. 87 W., Sixth Principal Meridian,  
sec. 31, lots 5 and 8,  
containing 1.00 acre.

Subject to road right-of-way COC-66832 (Ranch I, LLC).

Parcel C

T. 5 S., R. 83 W., Sixth Principal Meridian,  
sec. 30, Montana Lode;  
sec. 30, lots 5 to 8, inclusive, lot 10, and SE $\frac{1}{4}$ NW $\frac{1}{4}$ .  
T. 5 S., R. 84 W.,  
sec. 25, lot 10,  
containing 171.34 acres.

Subject to:

1. Application COC-73302 for a road right-of-way (Whittaker Family Limited Partnership).
2. Grazing Permit No. 0507726, Horse Mountain Allotment (8719).

Parcel D

T. 5 S., R. 83 W., Sixth Principal Meridian,  
sec. 30, lot 9,  
containing 17.41 acres.

Subject to:

1. Bruce Creek Road
2. Grazing Permit No. 0507726, Horse Mountain Allotment (No. 8719).

Parcel E

T. 5 S., R. 84 W., Sixth Principal Meridian,  
sec. 36, lots 2, 3, and 4,  
containing 11.97 acres.

Subject to Grazing Permit No. 0507726, Horse Mountain Allotment (No. 8719).